GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:3928
ANSWERED ON:20.12.2005
MOU BETWEEN KVIC AND ITC
Mohite Shri Subodh

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a): whether any Memorandum of Understanding has been signed between KVIC and ITC for manufacturing and sale of Agarbattis through KVIC`s outlets;

(b): if so, the details thereof; and

(c): the extent to which KVIC is likely to benefit from this MoU?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a): Yes, Sir

(b): The Memorandum of Understanding (MoU) signed between KVIC and ITC envisages marketing of Mangaldeep Agarbatti manufactured by khadi and village industry(KVI) units. The MoU envisages

(i) one of the manufacturing units functioning as the nodal agency for quality assurance, perfuming and packaging of the product in accordance with ITC`s specifications and

(ii) ITC buying the entire produce of agarbattis from these KVI units and undertaking their marketing through its own outlets and the outlets in KVI sector.

(c): The expected benefit of this MoU to the KVI units concerned include assured offtake of the product, additional marketing channels becoming available to the KVI units, promotion of the product as a distinct brand, expansion of production base resulting in employment generation on a sustainable basis in the rural areas, etc.